

EXHIBIT 2

LLC Operating Agreement

FIRST AMENDED AND RESTATED OPERATING AGREEMENT

TRANSCEND MULTIMEDIA, LLC

FIRST AMENDED OPERATING AGREEMENT OF
TRANSCEND MULTIMEDIA, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY
EFFECTIVE AS OF APRIL 22, 2005

This First Amended and Restated Operating Agreement is made and entered as of April 22, 2005, by and between the Members and Economic Interest Holder signatures appear on the signature page hereof. The parties entered into an Operating Agreement effective as of April 22, 2005; by entering into this First Amended and Restated Operating Agreement, the parties agree to amend and restate any previous Operating Agreements whether verbal or written and prior to April 22, 2005. In the event of any conflict or inconsistency between any prior Operating Agreement entered into as of April 22, 2005, and this First Amended and Restated Operating Agreement, the terms and provisions of this First Amended and Restated Operating Agreement shall control.

ARTICLE I
DEFINITIONS

The following terms used in this First Amended and Restated Operating Agreement shall have the following meanings:

- (a) "Act" shall mean the Illinois Limited Liability Company Act at 805 ILCS 180/9-9, *et seq.*
- (b) "Articles of Organization" shall mean the Articles of Organization of Transcend Multimedia, LLC, as filed with the Secretary of State of Illinois, as amended from time to time.
- (c) "Capital Account" as of any given date shall mean the Capital Contribution to the Company by a Percentage Interest Holder as adjusted up to such date pursuant to Article VIII.
- (d) "Capital Contribution" shall mean any contribution to the capital of the Company in cash or property by a Percentage Interest Holder whenever made.
- (e) "Code" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.
- (f) "Company" shall mean Transcend Multimedia, LLC.
- (g) "Deficit Capital Account" shall mean, with respect to any Percentage Interest Holder, the deficit balance, if any, in such Percentage Interest Holder's Capital Account as of the end of the taxable year after giving effect to the adjustments required by the Internal Revenue Code, and applicable regulations, including Treasury Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2.
- (h) "Distributable Cash" shall mean all cash, revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred in the normal operation of the Company's business; (iii) such Reserves as the Members deem necessary or desirable for the operation of the Company's business.
- (i) "Economic Interest" shall mean a Person's share of the Company's Net Profits, Net Losses and distributions of the Company's assets pursuant to this Operating Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, and specifically not including, the right to vote on, consent to or otherwise participate in any decision of the Members.
- (j) "Economic Interest Owner" shall mean the owner of an Economic Interest who is not a Member.
- (k) "Entity" shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, foreign trust or foreign business organization.

- (j) "*Fiscal Year*" shall mean the calendar year.
- (k) "*Member*" shall mean Jesse Alejos, Patrick Hafner, and any transferee or donee of a Membership Interest unanimously approved by the Members pursuant to Section 10.03.
- (l) "*Membership Interest*" shall mean a Member's entire interest in the Company, including such Member's share of Net Profits, Net Losses and distributions of the Company's assets pursuant to Section 8.03(d), and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement.
- (m) "*Net Profits*" and "*Net Losses*" shall mean the income, gain, loss, deductions and credits of the Company in the aggregate or separately stated, as appropriate, determined in accordance with generally accepted accounting principles employed under the cash method of accounting at the close of each fiscal year on the Company's tax return filed for federal income tax purposes.
- (n) "*Operating Agreement*" shall mean this First Amended and Restated Operating Agreement, as further amended from time to time.
- (o) "*Percentage Interest*" shall mean, for any Percentage Interest Holder, his respective share of the Percentage Interest Holders' Capital Accounts, or as otherwise provided by the unanimous vote of Members.
- (p) "*Percentage Interest Holder*" shall mean, a Member or Economic Interest Holder.
- (q) "*Person*" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.
- (r) "*Reserves*" shall mean funds set aside or amounts allocated to reserves which shall be maintained in amounts deemed sufficient by the Members for working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.
- (s) "*Treasury Regulations*" shall include proposed, temporary and final regulations promulgated under the Code.

Article II Formation of Company

2.01 **Formation.** Transcend Multimedia, LLC has been organized as an Illinois limited liability company by executing and delivering Articles of Organization to the Illinois Secretary of State in accordance with and pursuant to the Act.

2.02 **Name.** The name of the Company is Transcend Multimedia, LLC.

2.03 **Principal Place of Business.** The principal place of business of the Company within the State of Illinois shall be 869 North LaSalle, Suite 3, Chicago, Illinois 60610. The Company may locate its places of business and registered office at any other place or places as the Members may deem advisable.

2.04 **Registered Office and Registered Agent.** The Company's initial registered office shall be at the office of its registered agent at ATTORNEY ADDRESS HERE, and the name of its initial registered agent shall be ATTORNEY NAME HERE. The registered office and registered agent may be changed by filing the address of the new registered office and/or the name of the new registered agent with the Illinois Secretary of State pursuant to the Act.

2.05 Term. The term of the Company shall expire April 22, 2015, unless the Company is earlier dissolved in accordance with either the provisions of this Operating Agreement or the Act.

Article III Business of Company

The business of the Company shall be to engage in any and all lawful business in which a limited liability company may engage, including the marketing of telecommunications, professional and other services.

Article IV Names and Addresses of Members

The names and addresses of the Members as of this date are as follows:

<u>Name</u>	<u>Address</u>
Jesse Alejos	2636 W. Belmont Avenue Chicago, IL 60618
Patrick Hafner	869 North LaSalle #3 Chicago, IL 60610

Article V Members' Management

5.01 Management. The business and affairs of the Company shall be managed by its Members. The Members upon the affirmative vote of two-thirds (2/3rds) of the Members' Percentage Interests, shall direct, manage and control the business of the Company, have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.02 Limit of Members' Authority. No Member may act or purport to act as an agent of the Company, nor to bind to the Company in connection with any transaction, instrument, action or matter with a value reasonably likely to equal or exceed \$5,000.00, unless authorized by a majority of the Members. Any Member acting or purporting on the Company's behalf in connection with any such unauthorized transaction, instrument, action or matter shall indemnify and hold the Company harmless for any loss or damage it may sustain as a result thereof.

Article VI Rights and Obligations of Members

6.01 Limitation of Liability. Each Member's liability shall be limited as set forth in this Operating Agreement, the Act and other applicable law.

6.02 Company Debt Liability. A Member will not be liable personally for any debts or losses of the Company beyond his respective Capital Contributions and any obligation of the Member under Sections 8.01 and 8.02 to make Capital Contributions, except as provided in Section 6.07 or as otherwise required by law.

6.03 List of Members. Upon the written request of any Member, the Company shall provide a list showing the names, addresses and Membership Interests of all Members.

6.04 **Approval of Sale of All Assets.** The Members shall have the right, by the affirmative vote of all Members, to approve the sale, exchange or other disposition of all, or substantially all, of the Company's assets which is to occur as part of a single transaction or plan.

6.05 **Company Books.** The Company shall maintain and preserve, during the term of the Company, the accounts, books, and other relevant Company documents described in Section 9.09. Upon reasonable written request, each Member shall have the right, at a time during ordinary business hours, as reasonably determined by the Company, to inspect and copy, at the requesting Member's expense, the Company documents identified in Section 1-40 of the Act, and such other documents which the Company deems appropriate.

6.06 **Priority and Return of Capital.** Except as may be expressly provided in Article IX, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions.

6.07 **Liability of a Member to the Company.** A Member who receives a distribution or the return in whole or in part of his contribution is liable to the Company only to the extent provided by the Act.

Article VII Meetings of Members

7.01 **Meetings.** Meetings of the Members, for any purpose or purposes, may be called by any Member or Members.

7.02 **Place of Meetings.** The Members may designate any place, either within or outside the State of Illinois, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of the meeting shall be the principal place of business of the Company in the State of Illinois.

7.03 **Notice of Meetings.** Except as provided in Section 7.04, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five nor more than thirty days before the date of the meeting, either personally or by mail, by or at the direction of the Member or Members calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two calendar days after being deposited in the United States mail, addressed to the Member at his address, as it appears on the books of the Company, with postage thereon prepaid.

7.04 **Meeting of All Members.** If all of the Members shall meet at any time and place, either within or outside of the State of Illinois, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

7.05 **Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

7.06 **Quorum.** The presence of all Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Members so represented may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. However, if the adjournment is for more than sixty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Percentage Interests whose absence would cause less than a quorum.

7.07 Manner of Acting. Unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Articles of Organization, or by the Operation Agreement, if a quorum is present the affirmative vote of two-thirds (2/3rds) of the Members' Percentage Interests present at a meeting shall be the act of the Members. Unless otherwise expressly provided herein or required under applicable law, only Members who have Membership Interests may vote or consent upon any matter and only their votes or consents, as the case may be, shall be counted in the determination of whether the matter was approved by the Members. Unless otherwise expressly provided herein or required under applicable law, no Economic Interest Holder who is not a Member holding a Membership Interest may vote or consent upon any matter, and no vote or consent, as the case may be of any Economic Interest Holder who is not a Member holding a Membership Interest shall be counted in the determination of whether a matter is approved by the Members.

7.08 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

7.09 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each Member entitled to vote and delivered to the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date.

7.10 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

Article VIII Contributions to the Company and Capital Accounts

8.01 Members' Initial Capital Contributions. The Members have contributed to the Company the following amounts as their Initial Capital Contributions:

<u>Member</u>	<u>Initial Capital Contribution</u>
Jesse Alejos	\$3,500.00
Patrick Hafner	\$7,000.00

8.02 Additional Contributions. Members and Economic Interest Holders shall be required to make such additional Capital Contributions as shall be determined by the majority of the Members to be (a) reasonably necessary to meet the expenses and obligations of the Company, or (b) desirable for the operation of the Company's business. After the making of any such determination, the Members shall give written notice to each Member and Economic Interest Holder of the amount of required additional contribution, and each Member and Economic Interest Holder shall deliver to the Company his pro rata share thereof (in proportion to the Member's Percentage Interest, or Economic Interest, as the case may be, on the date such notice is given) no later than thirty days following the date such notice is given. None of the terms, covenants, obligations or rights contained in this Section 8.02 is or shall be deemed to be for the benefit of any person or entity other than the Members or the Company, and no such third person, nor any Economic Interest Holder who is not a Member, under any circumstances shall have any right to compel any actions or payments by the Members.

A Member may be permitted to make such additional Capital Contributions as shall be determined by the majority of the Members to be not contrary or harmful to the Company's business. After the making of any such determination, the Company shall give written notice to the Member wishing to make additional Capital

Contributions and such Member shall deliver to the Company his additional Capital Contribution no later than thirty days following the date such notice is given.

8.03 Capital Accounts.

(a) A separate Capital Account will be maintained for each Member. Each such Capital Account will be increased by (1) the amount of money contributed by such Member to the Company; (2) the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code Section 752); (3) allocations to such Member of Net Profits; and (4) allocations to such Member of exempt income described in Code Section 705(a)(1)(B). Each Capital Account will be decreased by (1) the amount of money distributed to such Member by the Company; (2) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Code Section 752); (3) allocations to such Member of non-deductible expenditures described in Code Section 705(a)(2)(B); and (4) allocations to the account of such Member of Net Losses and deductions as set forth in Treasury Regulations under Code Section 705(a)(2), taking into account adjustments to reflect book value.

(b) In the event of a transfer of a Membership Interest in the Company, the Capital Account of the transferor, subject to the provisions of Section 10.03, shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest in accordance with Section 1.704-1(b)(2)(iv) of the Treasury Regulations.

(c) The manner in which Capital Accounts are to be maintained pursuant to this Section 8.03 is intended to comply with the requirements of Code Section 704(b) and the Treasury Regulations promulgated thereunder. If the Company determines that the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.03 should be modified in order to comply with Code Section 704(b) and the Treasury Regulations, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.03, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members as set forth in the Operating Agreement.

(d) Upon liquidation of the Company (or any Member's Membership Interest), liquidating distributions will be made in accordance with the positive Capital Account balances of the Members, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within sixty days of the end of the taxable year (or, if later, within one hundred twenty days after the date of liquidation). The Company may offset damages for breach of this Operating Agreement by a Member whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to such Member.

(e) Except as otherwise required in the Act (and subject to Sections 8.01 and 8.02), no Member shall have any liability to restore all or any portion of a deficit balance in such Member's Capital Account.

8.04 Withdrawal or Reduction of Members' Contributions to Capital.

(a) A Member shall not receive out of the Company's property any part of his Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them.

(b) A Member, irrespective of the nature of his Capital Contributions, has only the right to demand and receive cash in return for his Capital Contribution.

Article IX
Allocations, Income Tax Distributions, Elections And Reports

9.01 Allocations of Profits and Losses from Operations. The Company's Net Profits and Net Losses for each Fiscal Year will be allocated as follows:

<u>Percentage Interest Owner</u>	<u>Allocation</u>
Jesse Alejos	1/2
Patrick Hafner	1/2

9.02 Special Allocations to Capital Accounts. Notwithstanding Section 9.01 hereof:

(a) No allocations of loss, deduction and/or expenditures described in Code Section 705(a)(2)(B) shall be charged to the Capital Account of any Member if such allocation would cause such Member to have a Deficit Capital Account. The amount of the loss, deduction and/or Code Section 705(a)(2)(B) expenditure that would have caused a Member to have a Deficit Capital Account shall instead be charged to the Capital Account of any Members which would not have a Deficit Capital Account as a result of the allocation, in proportion to their respective Capital Contributions, or, if no such Members exist, then to the Members in proportion to their respective Percentage Interests.

(b) If any Member unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5), (6) of the Treasury Regulations, which create or increase a Deficit Capital Account of such Member, then items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years) shall be specially credited to the Capital Account of such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit Capital Account so created as quickly as possible. It is the intent that this Section 9.02(b) be interpreted to comply with the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

(c) In the event any Member would have a Deficit Capital Account at the end of any Company taxable year which is in excess of the sum of any amount that such Member is obligated to restore to the Company under Treasury Regulations Section 1.704-1(b)(2)(ii)(c) and such Member's share of minimum gain as defined in Section 1.704-2(g)(1) of the Treasury Regulations (which is also treated as an obligation to restore in accordance with Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations), the Capital Account of such Member shall be specially credited with items of Company income (including gross income) and gain in the amount of such excess as quickly as possible.

(d) Notwithstanding any other provision of this Section 9.02, if there is a net decrease in the Company's minimum gain as defined in Treasury Regulation Section 1.704-2(d) during a taxable year of the Company, then, the Capital Account of each Member shall be allocated items of Company income (including gross income) and gain for such year (and if necessary for subsequent years) equal to that Member's share of the net decrease in Company minimum gain. This Section 9.02(d) is intended to comply with the minimum gain chargeback requirement of Section 1.704-2 of the Treasury Regulations and shall be interpreted consistently therewith. If in any taxable year that the Company has a net decrease in the Company's minimum gain, and the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Members and it is not expected that the Company will have sufficient other income to correct that distortion, the Members may in their discretion (and shall, if requested to do so by any Member) seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Treasury Regulation Section 1.704-2(f)(4).

(e) Items of Company loss, deduction and expenditures described in Code Section 705(a)(2)(B) which are attributable to any nonrecourse debt of the Company and are characterized as partner (Member) nonrecourse deductions under Section 1.704-2(i) of the Treasury Regulations shall be allocated to the Members' Capital Accounts in accordance with Section 1.704-2(i) of the Treasury Regulations.

(f) Beginning in the first taxable year in which there are allocations of "nonrecourse deductions" (as described in Section 1.704-2(b) of the Treasury Regulations) such deductions shall be allocated to the Members in accordance with, and as a part of, the allocations of Company profit or loss for such period.

(g) In accordance with Code Section 704(c)(1)(A) and Section 1.704-1(b)(2)(i) and (iv) of the Treasury Regulations, if a Member contributes property with a fair market value that differs from its adjusted basis at the time of contribution, income, gain, loss and deductions with respect to the property shall, solely for federal income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company and its fair market value at the time of contribution.

(h) Pursuant to Code Section 704(c)(1)(B), if any contributed property is distributed by the Company other than to the contributing Member within five years of being contributed, then, except as provided in Code Section 704(c)(2), the contributing Member shall be treated as recognizing gain or loss from the sale of such property in an amount equal to the gain or loss that would have been allocated to such Member under Code Section 704(c)(1)(A) if the property had been sold at its fair market value at the time of distribution.

(i) In the case of any distribution by the Company to a Member, such Member shall be treated as recognizing gain in an amount equal to the lesser of:

- (1) the excess (if any) of (A) the fair market value of the property (other than money) received in the distribution over (B) the adjusted basis of such Member's Membership Interest in the Company immediately before the distribution reduced (but not below zero) by the amount of money received in the distribution, or
- (2) the Net Precontribution Gain (as defined in Code Section 737(b)) of the Member. The Net Precontribution Gain means the net gain (if any) which would have been recognized by the distributee Member under Code Section 704(c)(1)(B) of all property which (1) had been contributed to the Company within five years of the distribution, and (2) is held by the Company immediately before the distribution, if such property had been distributed by the Company to another Member. If any portion of the property distributed consists of property which had been contributed by the distributee Member to the Company, then such property shall not be taken into account under this Section 9.02(i) and shall not be taken into account in determining the amount of the Net Precontribution Gain. If the property distributed consists of an interest in an entity, the preceding sentence shall not apply to the extent that the value of such interest is attributable to the property contributed to such entity after such interest had been contributed to the Company.

(j) In connection with a Capital Contribution of money or other property (other than a *de minimis* amount) by a new or existing Member as consideration for or Membership Interest, or in connection with the liquidation of the Company, the Capital Accounts of the Members shall be adjusted to reflect a revaluation of Company property (including intangible assets in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f). If, under Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, Company property that has been revalued is properly reflected in the Capital Accounts and on the books of the Company at a book value that differs from the adjusted tax basis of such property, then depreciation, depletion, amortization and gain or loss with respect to such property shall be shared among the Members in a manner that takes account of the variation between the adjusted tax basis of such property and its book value, in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Company are taken into account in determining the Members' share of tax items under Code Section 704(c).

(k) All recapture of income tax deductions resulting from the sale or disposition of Company property shall be allocated to the Member or Members to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Member is allocated any gain from the sale or other disposition of such property.

(l) Any credit or charge to the Capital Accounts of the Members pursuant to Sections 9.02(b), (c), and/or (d), hereof shall be taken into account in computing subsequent allocations of profits and losses pursuant to Section 9.01, so that the net amount of any items charged or credited to Capital Accounts pursuant to Sections 9.01 and 9.02 shall to the extent possible, be equal to the net amount that would have been allocated to the Capital Account of each Member pursuant to the provisions of this Article IX if the special allocations required by Sections 9.02(b), (c), and/or (d), had not occurred.

9.03 Distributions. Except as provided in Section 8.03(d), no Member has any right to demand or receive any distribution from the Company, and, in the event the Members determine to make a distribution from the Company, no Member has any right to demand or receive such distribution from the Company in a form other than cash. All distributions of cash or other property shall be made to the Members pro rata in proportion to their respective Percentage Interests on the record date of such distribution. Except as provided in Section 9.04, all distributions of Distributable Cash and property shall be made at such time as determined by the affirmative vote of a majority of the Members. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section 9.03.

9.04 Limitation upon Distributions.

(a) No distributions or return of contributions shall be made and paid if, after the distribution or return of distribution is made either

- (1) the Company would be insolvent; or
- (2) the net assets of the Company would be less than zero.

(b) The Members may base a determination that a distribution or return of contribution may be made under Section 9.04(a) in good faith reliance upon a balance sheet and profit and loss statement of the Company represented to be correct by the person having charge of its books of account or certified by an independent public or certified public accountant or firm of accountants to fairly reflect the financial condition of the Company.

9.05 Accounting Principles. The profits and losses of the Company shall be determined in accordance with generally accepted accounting principles applied on a consistent basis using the cash method of accounting.

9.06 Interest on and Return of Capital Contributions. No Member shall be entitled to interest on his Capital Contribution or to return of its Capital Contribution.

9.07 Loans to Company. Nothing in the Operating Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

9.08 Records, Audits and Reports. At the expense of the Company, the Company shall maintain records and accounts of its operations and expenditures. At a minimum the Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known address of each Member setting forth the amount of cash each Member has contributed, a description and statement of the agreed value of the other property or services each Member has contributed or has agreed to contribute in the future, and the date on which each became a Member;

(b) A copy of the Articles of Organization of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;

(d) Copies of the Company's currently effective written Operating Agreement, and copies of any financial statements of the Company for the three most recent years;

(e) Minutes of every meeting;

(f) Any written consents obtained from Members for actions taken by Members without a meeting;
and

(g) Unless contained in the Articles of Organization or the Operating Agreement, a writing setting out the following:

(1) The times at which or events on the happening of which any additional contributions agreed to be made by each Member are to be made.

(2) Any right of a Member to receive distributions that include a return of all or any part of the Members or contributions.

(3) Any power of a Member to grant the right to become an assignee of any part of the Member's interest, and the terms and conditions of the power.

9.09 Returns and Other Elections. The Members shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year upon the Member's written request. All elections permitted to be made by the Company under federal or state laws shall be made by the Members.

9.10 Tax Matters Partner. Patrick Hafner is designated as the "Tax Matters Partner" (as defined in Code Section 6231), and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including, without limitation, administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The Members agree to cooperate with each other and to do or refrain from doing any and all things reasonably required to conduct such proceedings.

Article X Transferability

10.01 General. No Member or Economic Interest Holder shall have the right to:

(a) sell, assign, pledge, hypothecate, transfer, exchange or otherwise transfer for consideration (collectively "sell"), or

(b) gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law),

all or any part of his Membership Interest, or Economic Interest, as the case may be, except as otherwise specifically provided herein.

10.02 Right of First Refusal - Sale.

(a) A Member or an Economic Interest Holder desiring to sell all or any portion of his Membership Interest, or Economic Interest, as the case may be, to a third-party purchaser (the "Selling Party"), shall obtain from such third-party purchaser a bona fide written offer to purchase such interest, stating the terms and conditions upon which the purchase is to be made and the full consideration offered. The Selling Party shall give written notification to the remaining Members or to all of the Members if the Selling Party is an Economic Interest Holder but not a Member (the "Remaining Members"), by certified mail or personal delivery, of his desire to sell his Membership Interest, or Economic Interest, as the case may be, furnishing to the Remaining Members a copy of the written offer to purchase such Membership Interest or Economic Interest.

(b) The Remaining Members, and each of them, on a basis pro rata to their Percentage Interests or on a basis pro rata to the Percentage Interests of those Remaining Members exercising their right of first refusal, shall have the right to exercise a right of first refusal to purchase all (but not less than all) of the Membership Interest or Economic Interest proposed to be sold by the Selling Party upon the same terms and conditions as stated in the aforesaid written offer to purchase by giving written notification to the Selling Party, by certified mail or personal delivery, of their intention to do so within forty-five days after receiving written notice from the Selling Party. If the Selling Party is a Member, the failure of at least one of the Remaining Members to so notify the Selling Party of his desire to exercise this right of first refusal within said forty-five day period shall result in the termination of the right of first refusal and the Selling Party shall be entitled to consummate the sale of his Membership Interest to such third-party purchaser, but solely upon the terms and conditions, and for the consideration set forth in the notice to the Remaining Members, and further provided that the sale shall be consummated within sixty days following the expiration of the aforesaid forty-five day period.

If the Remaining Members (or any one or more of the Remaining Members) give written notice to the Selling Party of their desire to exercise this right of first refusal and to purchase all of the Selling Party's Membership Interest or Economic Interest, as the case may be, which the Selling Party desires to sell upon the same terms and conditions as are stated in the aforesaid written offer to purchase, the Remaining Members shall have the right to designate the time, date and place of closing, providing that the date of closing shall be within sixty days after written notification to the Selling Party of the Remaining Members' election to exercise their right of the first refusal.

(c) As a condition to the Company recognizing the effectiveness of either the purchase of the Selling Party's Membership Interest or Economic Interest by a third-party purchaser, or the gift, transfer in trust or transfer by reason of the death of a Member or Economic Interest Holder of a Membership Interest, or an Economic Interest, as the case may be, (subject to Section 10.03), the Remaining Members may require the Selling Party, and/or, the proposed donee, transferee in trust or transferee by reason of death, as the case may be, to execute, acknowledge and deliver to the Remaining Members such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Remaining Members in their sole discretion may deem necessary or desirable to:

- (1) verify the purchase, gift or transfer, as the case may be;
- (2) confirm that the Person desiring to acquire an interest in the Company, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of the Operating Agreement (irrespective of whether or not such Person is to be admitted as a Member);
- (3) maintain the status of the Company as a partnership for federal tax purposes; and
- (4) assure compliance with any applicable state and federal laws including securities laws and regulations.

(d) Any sale, gift, transfer in trust or transfer by reason of the death of a Member or an Economic Interest Holder, of a Membership Interest or Economic Interest, or admission of a Member in compliance with this

Article X shall be deemed effective as of the last day of the calendar month in which the Remaining Members' consent thereto was given, or, if no such consent was required pursuant to Section 10.02(c), then on such date that the donee or successor interest complies with the conditions set forth in Section 10.02(c). The Selling Party agrees, upon request of the Remaining Members, to execute such certificates or other documents and to perform such other acts as may be reasonably requested by the Remaining Members from time to time in connection with such sale, transfer, assignment, or substitution. The Selling Party hereby indemnifies the Company and the Remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article X.

10.03 Transferee Not Member in Absence of Unanimous Consent.

(a) Notwithstanding anything contained herein to the contrary (including, without limitation, Section 10.02 hereof), if all of the Members do not approve by unanimous written consent of any proposed sale, gift, transfer in trust, or transfer by reason of the death of a Member or an Economic Interest Holder of a Membership Interest or an Economic Interest to a transferee or donee who is not a Member immediately prior to the sale, gift, then the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee or donee shall be merely an Economic Interest Holder. No transfer of a Membership Interest or Economic Interest (including any transfer which has not been approved by unanimous written consent of the Members) shall be effective unless and until written notice (including the name and address of the proposed transferee or donee and the date of such transfer) has been provided to the Company and the Remaining Members.

(b) Upon and contemporaneously with any sale, gift or transfer, of a Membership Interest which does not at the same time transfer the balance of the rights associated with the economic interest transferred by the transferring Member (including, without limitation, the rights of the transferring Member to participate in the management of the business and affairs of the Company), all remaining rights and interest which were owned by the transferring Member immediately prior to such sale or gift or which were associated with the sold, gifted or transferred Membership Interest shall immediately lapse until either (1) the Members, by unanimous consent, reinstate such rights to the transferee or donee who did not previously obtain the unanimous written consent of the Members, or (2) upon the remaining Members, by unanimous written consent, reinstating such rights to a successor or transferee of such transferee or donee.

(c) The restrictions on transfer contained in this Section 10.03 are intended to comply (and shall be interpreted consistently) with the restrictions on transfer set forth in Article 30 of the Act.

Article XI Additional Members

From the date of the formation of the Company, any Person or Entity acceptable to the Members by their unanimous vote thereof may become a Member in this Company either by the issuance by the Company of Membership Interests for such consideration as the Members by their unanimous votes shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement. No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Members may, at their option, at the time a Member is admitted, close the Company books (as though the Company's tax year has ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Code Section 706(d) and the Treasury Regulations promulgated thereunder.

Article XII Dissolution and Termination

12.01 Dissolution.

(a) The Company shall be dissolved upon the occurrence of any of the following events:

- (1) when the period fixed for the duration of the Company shall expire pursuant to Section 2.05 hereof, or
- (2) by the unanimous written agreement of all Members.

(b) If a Member who is an individual dies or a court of competent jurisdiction adjudges him to be incompetent to manage his person or his property, the Member's executor, administrator, guardian, conservator, or other legal representative may exercise all of the Member's rights for the purpose of settling his estate or administering his property.

12.02 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Members shall immediately proceed to wind up the affairs of the Company.

- (b) If the Company is dissolved and its affairs are to be wound up, the Members shall:
 - (1) sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members may determine to distribute any assets to the Members in kind);
 - (2) allocate any profit or loss resulting from such sales to the Members' Capital Accounts in accordance with Article IX hereof;
 - (3) discharge all liabilities of the Company, including liabilities to Members who are creditors, to the extent otherwise permitted by law, other than liabilities to Members for Distributions, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members the amounts of such Reserves shall be deemed to be an expense of the Company);
 - (4) distribute the remaining assets in the following order:
 - (i) if any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members shall be adjusted pursuant to the provisions of Article IX and Section 8.03 of this Operating Agreement to reflect such deemed sale.
 - (ii) the positive balance (if any) of each Member's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members, either in cash or in kind, as determined by the Members, with any assets distributed in kind being valued for this purpose at their fair market value as determined pursuant to Section 12.02(b)(i). Any such distributions to the Members in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.

(c) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Members shall comply with all requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

12.03 Articles of Dissolution. When all debts, liabilities and obligations of the Company have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets of the Company have been distributed, articles of dissolution as required by the Act, shall be executed in duplicate and filed with the Illinois Secretary of State.

12.04 Effect of Filing of Articles of Dissolution. Upon the filing of articles of dissolution with the Illinois Secretary of State, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Act. The Members shall have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

12.05 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Members, such Member or Members shall have no recourse against any other Member, except as otherwise provided by law.

Article XIII Miscellaneous Provisions

13.01 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given two business days after the date on which the same was deposited in the United States mail, addressed and sent as aforesaid.

13.02 Books of Account and Records. Proper and complete records and books of account shall be kept or shall be caused to be kept by the Company in which shall be entered fully and accurately all transactions relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. Such books and records shall be maintained as provided in Section 9.09. The books and records shall at all times be maintained at the principal place of business of the Company.

13.03 Confidentiality; Non-Solicitation. Members and Economic Interest Holders may obtain knowledge of or information regarding the operations, business, marketing theories, marketing procedures, customer and potential customer lists, personnel, tangible and other products, intellectual property, trade secrets, software, information systems, processes, copyrights, patents and other confidential or proprietary information of the Company and its clients (the "Confidential Information"). No Member or Economic Interest Holder may at any time that he owns any interest in the Company, or at any time thereafter, disclose or allow to be disclosed to any person or entity, or use for his own or another's benefit, any Confidential Information, whether or not the Confidential Information was known to the Member or Economic Interest Holder prior to disclosure by the Company, or prior to the Member or Economic Interest Holder's acquisition of his Membership Interest or Economic Interest, as the case may be; provided, however, no Member or Economic Interest Holder shall have any obligation to retain any Confidential Information in confidence to the extent it was, prior to disclosure by the Company, or subsequently, publicly available through no action of the Member or Economic Interest Holder, or is rightfully acquired by the Member or Economic Interest Holder from a third party not in breach of any agreement with the Company.

Immediately upon the termination of his Membership or Economic Interest in the Company, each Member and Economic Interest Holder shall return to the Company any and all tangible representations of any Confidential Information, whether or not disclosed to him by the Company, or otherwise obtained by the Member or Economic Interest Holder.

No Member or Economic Interest Holder may at any time that he owns any interest in the Company, or for a two year period thereafter, directly or indirectly:

- (a) own, manage, operate, control, participate in, be associated with, consult with, serve as an officer, employee, partner, director, consultant, or contractor of, have any financial interest in (except as hereinafter expressly provided), or aid or assist anyone in the conduct of, any business (whether a corporation, partnership, limited partnership, limited liability company, sole proprietorship or other entity), that competes directly or indirectly with the Company in any geographic area in which the Company conducts such business or in which the goodwill of the Company is established; or
- (b) attempt to or in fact, induce or persuade any then current or potential Member, Economic Interest Holder, employee, independent contractor or consultant of the Company to terminate his, her or its relationship with the Company, or to enter into any relationship with any other person, firm or limited partnership engaged in a business described in Section 13.03(a);
- (c) attempt to or in fact, call upon, solicit, contact or communicate with any person or entity whom or which the Member or Economic Interest Holder called upon, solicited, contacted or communicated in the course of the Company's business.

The parties intend that the provisions of this Section to be enforced as written. However, if any court determines that any of the provisions of this Section are unreasonable, the parties agree that the provisions of this Section shall be deemed modified to the minimum extent necessary so that this Section is reasonable.

Each Member and Economic Interest Holder hereby agrees that the Company shall be entitled in any court of competent jurisdiction to enjoin the threat, occurrence or continuation of any breach of the provisions of this Section, to enforce the specific performance of the provisions of this Section, to obtain an award of damages from him in an amount equal to \$10,000 for each day that any breach of Section 13.03 continues, plus an amount equal to \$10,000 for each and every breach of any other provision of this Section, together with all actual damages the Company may sustain as a result of any such breach, together with the Company's costs to enforce the provisions of this Section, plus interest on all such amounts at a rate of 0.05% per day for each day beginning with the day of the breach or loss, and continuing until paid in full by the Member or Economic Interest Holder.

13.04 Application of Illinois Law. This Operating Agreement and its interpretation shall be governed exclusively by its terms and by the laws of the State of Illinois, and specifically the Act.

13.05 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that it may have to maintain any action for the partition with respect to the property of the Company.

13.06 Amendments. This Operating Agreement may not be amended except in writing by the affirmative vote of the majority of Members. Any amendment changing the Percentage Interests of the Members requires the unanimous vote of the Members (other than cases in which Capital Contributions are not made as required under this Operating Agreement).

13.07 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations and other instruments necessary to comply with any laws, rules or regulations.

13.08 Construction. Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

13.09 Headings. The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

13.10 Waivers. The failure of any party to seek redress for default of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a default, from having the effect of an original default.

13.11 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any other remedy. Said rights and remedies are given in addition to any other legal rights the parties may have.

13.12 Severability. If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.13 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

13.14 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.15 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused their signatures to be set forth below on the day and year first above written.

MEMBERS:


Patrick Hafner


Jesse Alejos

MEMBERSHIP INTERESTS AGREEMENT
TRANSCEND MULTIMEDIA, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY
APRIL 22, 2005

This Membership Interests Agreement ("Agreement") is made and entered as of April 22, 2005, by and between Patrick Hafner ("Hafner"), Jesse Alejos ("Alejos"), and Transcend Multimedia, LLC, an Illinois limited liability company ("Company").

Section 1. Membership Interests. The Company's Membership Interests shall be allocated as follows:

<u>Member</u>	<u>Membership Interest</u>
Jesse Alejos	1/2
Patrick Hafner	1/2

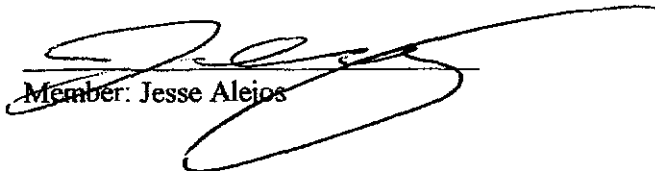
Section 2. Illinois Law. This Agreement and its interpretation shall be governed exclusively by its terms and by the internal laws of the State of Illinois, without regard to its conflicts of laws provisions.

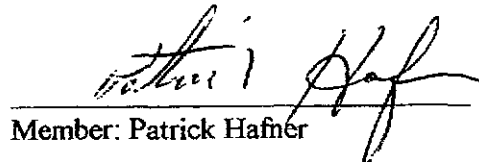
Section 3. Execution of Additional Instruments. Each of the parties hereby agrees to execute such other and further instruments as may be required to give effect to the provisions of this Agreement.

Section 4. Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof.

Section 5. Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused their signatures to be set forth below on the day and year first above written.


Member: Jesse Alejos


Member: Patrick Hafner